



**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDA TITLE:** Review Proposed Wastewater Capacity Fee, Provide Direction, and Set Public Hearing for January 4, 2006, to Consider Adoption of the Fee

**MEETING DATE:** November 22, 2005 (Special Meeting)

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council review the proposed Wastewater Capacity Fee, provide direction, and set a public hearing for January 4, 2006, to consider adoption of the fee.

**BACKGROUND INFORMATION:** The proposed amendments to the Municipal Code implement changes to the method wastewater capacity impact fees will be charged to new growth for capacity at the White Slough Water Pollution Control Facility (WSWPCF) and facilities at the Municipal Service Center (MSC). This is a one-time fee on new development or improvements that increase loading on WSWPCF. The actual fee will be adopted by Resolution.

The existing wastewater capacity fee was approved by Council following the expansion of WSWPCF in 1991, as the final step in a series of rate and capacity (connection) fee increases initiated in 1986. The present capacity fee is \$2,099 per sanitary sewer unit (SSU), which is the same as was adopted in 1991. A SSU represents the equivalent demand of a two-bedroom home.

Recently, the plant has undergone two additional capital construction projects, and a third is planned that increased and/or will increase the rated capacity to 8.5 million gallons per day while upgrading the level of treatment to tertiary as required by the plant's Discharge Requirements issued by the Central Valley Regional Water Quality Control Board.

A report, *City of Lodi Wastewater Capacity Fees: Revised Analysis*, prepared for the City by Hilton, Farnkopf & Hobson, LLC, is attached for reference as Exhibit 1. The report presents the results of analysis that assigns the value of past and future capital construction costs to existing and future development in the City. The recommendation is to raise the capacity fee to \$5,115 per SSU. The recommended fee does not include 2% for Art in Public Places.

Capital construction and debt service costs have, in each case, been allocated to new growth and existing customers. In the case of the 1991 improvements (which refinanced the 1989 improvements), 74% is allocated to serve new growth. For the 2003 (Phase I) and 2004 (Phase II) expansions, 26% and 24.2%, respectively, are allocated to new growth. The 2006 (Phase III) expansion is currently in design, and 58.4% is allocated to new growth. The costs attributed to existing Lodi customers are the share attributed to increasing the plant's rated flow capacity using updated State parameters and upgrading the level of treatment provided in response to more stringent State discharge requirements. The capital and debt service costs of facilities serving existing customers are provided by user rates.

As part of this analysis, the City's separate wastewater impact fee, which primarily covers costs for expansion of the MSC, has been rolled into the capacity fee. This was done to simplify the fee system to only have one sewer development fee. The ordinance changes being proposed implement this change. The actual fee, as per the existing City Code, will be set by Resolution.

APPROVED:   
Blair King, City Manager

Another change in the capacity fee being proposed is that the fee would be adjusted annually on July 1, based on the Engineering News Record 20 Cities Average, as is now done for the other impact fees in January.

As shown in Table 4 of the report, the recommended capacity fee also includes a separate fee, "high-strength connections", which is broken down into flow, BOD, and suspended solids components. With the addition of tertiary treatment this year, the relative weight among these components has shifted with a higher increase for flow than for the other constituents. This relationship is also reflected in treatment costs, and adjustments for the high-strength users service charges are also being recommended:

	<u>Current</u>	<u>Proposed</u>
Flow (per MG, annual basis)	\$1,170.45	\$2,052.00
BOD (per 1,000 lbs., annual basis)	\$572.79	\$338.64
SS (per 1,000 lbs., annual basis)	\$468.23	\$211.73

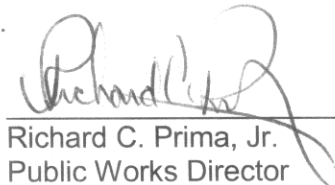
Finally, the staff recommendation on the capacity does not include a component for the Public Art Program. This recommendation is based on the fact that a significant portion of the proposed fee is for past improvements made at White Slough. These improvement projects were not designated to include public art nor did they contribute to the Public Art Fund. Should the Council wish to include the full Public Art component, the fee should be increased by 2%, from \$5,115 to \$5,217. Another option would be to only include the art component in future projects. Based on the fee components shown in Table 1 of the attached report, and considering the 2006 project, Master Plan and MSC projects, the proportion is half, therefore, a 1% Public Art fee would be appropriate (\$5,115 to \$5,166). The appropriate amount will be included in the program as directed by the Council.

Pending Council direction, staff would bring the ordinance changes to the Council in December for introduction and adoption in January along with the public hearing (the hearing is required to set the fee, not to change the ordinance).

At the conclusion of the public hearing, Council will be requested to adopt the ordinance revising the Municipal Code and adopt the resolution setting the wastewater capacity impact fee.

**FISCAL IMPACT:** The additional utility revenue from the capacity fee will be significant, but the actual amount will obviously depend on development levels. Revenue in FY 04/05 was \$1.44 million. The change in the service charges for high-strength users, based on current usage, will reduce annual revenue by approximately \$200,000.

**FUNDING AVAILABLE:** Not applicable.

  
Richard C. Prima, Jr.  
Public Works Director

Prepared by F. Wally Sandelin, City Engineer  
RCP/FWS/pmf  
Attachment  
cc: Interested Parties

HILTON FARNKOPF & HOBSON, LLC  
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August 15, 2005

Mr. Richard C. Prima  
Director of Public Works  
City of Lodi  
221 West Pine Street  
Lodi, CA 96241-1910

**Subject: Wastewater Capacity fees: Revised Analysis**

Dear Mr. Prima:

The purpose of this letter is to present the results of our analysis of the City's wastewater capacity fees.

#### **Current Capacity Fees**

The City has two sewer development fees that are charged to new connections. The fees are based on either sanitary sewer units (SSUs)<sup>1</sup> or acreage. The fee based on sanitary sewer units is called the "capacity fee" and is intended to recover the cost of treatment and disposal facilities. The current capacity fee is \$2,099 per SSU.

The fee based on acreage is called the "development impact mitigation fee" (DIMF) and is intended to recover the cost of other facilities that are not directly related to treatment or disposal but are still integral with the sewer system, such as the Sewer Fund's share of the corporation yard. The DIMF varies depending on land use, ranging from \$583 per acre for low-density residential development to \$2,035 per acre for high-density

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<sup>1</sup> Sanitary sewer units are based on a system of equivalencies specified in Article III., Section 13.12.180 of the Lodi Municipal Code. For residential connections, one SSU equals a two-bedroom residence. A one-bedroom residence equals 0.75 SSUs and each additional bedroom equals 0.25 SSUs. For non-residential SSUs, 30 different parameters are used to establish the number of SSUs, such as the number of seats for restaurants, the number of machines for laundries, the number of students for schools, the number of employees for grocery stores, etc.. For high-strength connections, estimates of flow, BOD, and SS are used.

residential development with other intervening rates for non-residential development. For a typical home with a density of five units per acre, the DIMF is \$116.60.

### Capacity Fee Methodology

Capacity fees represent the unit cost of capacity paid by new connections to ensure that they contribute their fair share of capital costs. In calculating capacity fees, it is important to correlate the facilities with the corresponding connections to establish the "nexus" or relationship required by the Mitigation Fee Act.<sup>2</sup> The unit cost is the ratio of the value of the facilities divided by the corresponding connections. Of the commonly recognized methods for calculating capacity fees, we used the incremental approach, which calculates the unit cost of the growth-related portion of system expansion.

Unlike the City's current capacity fee and DIMF, we do not distinguish between wastewater treatment/disposal facilities and other support facilities like corporation yards, which do not provide capacity *per se*. The City is not unique in differentiating between connection-based and acreage-based components of capacity fees. We are aware of other water and sewer agencies with a similar bifurcation. Although it is possible to distinguish between the two types of facilities, we see no compelling logic to denominate certain facilities by capacity and others by acreage. Hence, we combined all facilities into a single capacity fee that is denominated by connections. This approach is simpler, which may explain why it is more prevalent.

### INCREMENTAL COST CALCULATION

Under the incremental cost approach, the cost of expansion attributable to growth is divided by the growth-related capacity to determine the unit cost of growth. Table 1 shows the costs associated with upgrades for existing users and with expansion for new users. The majority of these costs are the debt service on the three outstanding bonds that have been issued and one bond planned for 2006.

The debt service cost includes principal and interest as part of the value of the facilities. Interest is often mistakenly excluded in capacity fee calculations under the misapprehension that double counting will not occur. In other words, it is thought that new connections will pay the interest in both the capacity fee and later through sewer

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<sup>2</sup> Government Code 66000 *et seq.*

service charges. That reasoning is flawed. New connections will only pay interest on debt service that is not included in the capacity fee. If all of the interest is included in the capacity fee, there should be no need for rate payers to also pay interest costs. It is appropriate to include interest because interest is part of the cost of the facilities in the same way that principal is.

The incremental costs of debt service are allocated to growth based on the portion of capacity that is related to expansion. In the case of the 1991 improvements (which refinanced the 1989 improvements), 74% (2.7 mgd added to 5.8 mgd for a total of 8.5 mgd) was related to growth. The 2003 (Phase I 2003/2004 improvements), 2004 (Phase II 2004/2005 improvements), and 2006 (Phase III 2006/2007 improvements) bonds were allocated based on the expansion related capacity (2.2 mgd added to 6.3 mgd of current flow for a total of 8.5 mgd<sup>3</sup>) of each of the unit processes included in each of the three phases of improvements. Attachment 1 is included to show the detailed allocations that were performed to derive the growth allocations in Table 1 for the 2003, 2004, and 2006 improvements. The result is an incremental cost of capacity of \$5,115 per connection or SSU.

**Table 1. Incremental Cost Calculation**

Facilities	Cost	Growth Allocation	Growth Related Cost	Growth Related Capacity (gal)	Growth Related Connections (SSUs)	Cost Per Connection
1991 COP debt service	\$28,065,964	74.0%	\$20,768,813	2,700,000	13,918	\$1,492
2003 COP debt service	\$7,666,354	26.0%	\$1,989,711	2,200,000	11,340	\$175
2004 COP debt service	\$37,376,493	24.2%	\$9,046,845	2,200,000	11,340	\$798
2006 COP debt service	\$50,261,973	58.4%	\$29,364,137	2,200,000	11,340	\$2,589
Subtotal	\$123,370,784		\$61,169,508			\$5,055
Sanitary Sewer Master Plan	\$115,970	100%	\$115,970	2,200,000	11,340	\$10
Public Works Admin. Building	\$373,420	100%	\$373,420	2,200,000	11,340	\$33
Public Works - Storage Facilities	\$187,870	100%	\$187,870	2,200,000	11,340	\$17
Total	\$124,048,044		\$61,846,768			\$5,115

Table 2 shows the derivation of the unit cost of capacity for each loading category (i.e., flow, BOD and SS). The total cost allocated to growth (\$61,846,768) is allocated to each

<sup>33</sup> The 2003 and 2004 bonds pay for facilities that do not add capacity beyond the current 6.8 mgd capacity. These facilities provide tertiary filtration and disinfection. With the 2006 bonds, the capacity will be expanded to 8.5 mgd.

loading category based on the functions associated with each improvement<sup>4</sup>. Each of these three cost categories is then divided by the respective units of capacity to derive the unit cost for each loading category.

**Table 2. Functionalized Costs**

	Allocations Per Loading Category							
	Flow			BOD		SS		
	Total Cost	Percent	Amount	Percent	Amount	Percent	Amount	
1991 COP debt service	\$20,768,813	40.0%	\$8,307,525	30.0%	\$6,230,644	30.0%	\$	6,230,644
2003 COP debt service	\$1,989,711	10.4%	\$206,096	44.8%	\$891,808	44.8%	\$	891,808
2004 COP debt service	\$9,046,845	57.2%	\$5,171,640	21.4%	\$1,937,603	21.4%		1,937,603
2006 COP debt service	\$29,364,137	58.8%	\$17,277,779	34.1%	\$9,999,355	7.1%		2,087,003
Subtotal	\$61,169,508	50.6%	\$30,963,041	31.2%	\$19,059,409	18.2%		\$11,147,057
Sanitary Sewer Master Plan	\$115,970	50.6%	\$58,702	31.2%	\$36,134	18.2%		\$21,133
Public Works Admin. Building	\$373,420	50.6%	\$189,019	31.2%	\$116,352	18.2%		\$68,049
Public Works - Storage Facilities	\$187,870	50.6%	\$95,097	31.2%	\$58,537	18.2%		\$34,236
Total	\$61,846,768	50.6%	\$31,305,859	31.2%	\$19,270,432	18.2%		\$11,270,476
Units of Capacity and Cost of Capacity Per Loading Category								
Units for each loading category		Gal/day:	2,200,000	mg/l:	285	mg/l:		308
		Mg/day:	2.200	1,000 lb/day:	5.229	1,000 lb/day:		5.644
		Mg/yr:	803.0	1,000 lb/yr:	1,908.5	1,000 lb/yr:		2,087.2
Unit cost per loading category		Per mg/yr:	\$38,986	Per 1,000 lb/yr:	\$10,097	Per 1,000 lb/yr:		\$5,400

To validate the methodology, the unit cost for each loading category are applied to the loadings specific to a residential connection in Table 3. The resulting capacity fee (\$5,118 per residential connection) is virtually identical to the previous capacity fee (\$5,115 per SSU).

**Table 3. Residential Capacity Fee**

	Flow Component		BOD Component		SS Component	
	Gal/day:	194	mg/l:	243	mg/l:	285
Residential loadings	Mg/yr:	0.0708	1,000 lb/yr:	0.1435	1,000 lb/yr:	0.1683
Cost per loading category	\$	2,761	\$	1,449	\$	909
Flow component	\$	2,760.61				
BOD component	\$	1,448.97				
SS Component	\$	908.83				
	\$	5,118.41				
Fee per SSU	\$	5,114.61				
Rounding error	\$	3.80				

Table 4 summarizes the revised capacity fees and compares them with the existing capacity fees.

<sup>4</sup> See Attachment 1.

**Table 4. Capacity Fee Summary and Comparison**

		<b>Capacity Fees</b>	
		<b>Revised</b>	<b>Existing</b>
<b><u>Residential Connections</u></b>			
<b>Bedrooms</b>	<b>SSUs</b>		
1	0.75	\$ 3,837	\$ 1,575
2	1.00	\$ 5,115	\$ 2,099
3	1.25	\$ 6,400	\$ 2,627
4	1.50	\$ 7,678	\$ 3,151
5	1.75	\$ 8,955	\$ 3,675
6	2.00	\$ 10,233	\$ 4,200
7	2.25	\$ 11,515	\$ 4,726
<b><u>Commercial/Moderate Strength Connections</u></b>			
Per SSU		\$ 5,115	\$ 2,099
<b><u>High-Strength Connections</u></b>			
Per MG per year		\$ 38,986	\$ 11,193
Per 1,000 lbs BOD per year		\$ 10,097	\$ 4,611
Per 1,000 lbs SS per year		\$ 5,400	\$ 2,076

The revised capacity fees are greater than the existing capacity fees because of the improvements financed by the 2003, 2004, and 2006 bonds, which total more than twice the improvements included in the existing capacity fees. In addition, cost per million gallons of flow has increased proportionately more than the charges per 1,000 pounds of BOD and SS because of the flow-related function provided by the improvements. Despite this increase, the revised capacity fees are less than the unit cost of capacity for a new plant.<sup>5</sup>

## CONCLUSION

We recommend that the City adopt the revised capacity fees described in this report. In addition, we recommend that the City periodically update the capacity fees to reflect revised cost estimates and actual costs incurred. Between periodic updates, we

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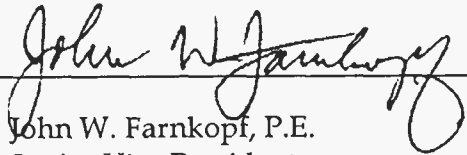
<sup>5</sup> West Yost & Associates estimated the cost of a new 8.5 mgd plant to be about \$125 million, which with interest costs of financing could cost about \$245 million, yielding a unit cost of \$5,610 per SSU.

Richard C. Prima  
August 15, 2005  
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recommend that the City annually escalate the capacity fees using the ENR construction cost index so that the value of the capacity fees does not decline because of inflation. Rate payers are entitled to receive reimbursement based on the current cost of capacity and should not see their investment eroded by inflation.

Very truly yours,

HILTON FARNKOPF & HOBSON, LLC

A handwritten signature in cursive script, reading "John W. Farnkopf", is written over a horizontal line.

John W. Farnkopf, P.E.  
Senior Vice President

Attachment 1 as noted.



**Phase I 2003 Improvements**

**Blower Improvements**

Item	Estimated	Users Served		Allocation to Functional Categories						
	Construction Cost	Existing	New	Flow	BOD	SS	Flow	BOD	SS	Total
Mobilization and contractor indirect costs @ 12%	\$245,000									
Demolition	\$10,000									
Blowers (pre-purchased)	\$300,000									
Blower accessories (cost agreed to in pre-purchase contract)	\$150,000									
Blower installation	\$99,000									
Blower building piping, valves, fittings and appurtenances	\$186,000									
Startup, testing, training	\$19,000									
Electrical service upgrade <sup>(a)</sup>	\$150,000									
Electrical, instrumentation, and controls	\$1,000,000									
Subtotal (rounded)	\$2,160,000									
Estimating Contingency @ 20%	\$430,000									
Subtotal	\$2,590,000									
Engineering and Administration @ 25%	\$650,000									
Construction Contingency @ 10%	\$130,000									
Estimated Construction Cost	\$3,370,000	\$2,500,000	\$870,000	0%	50%	50%	\$ -	\$ 1,685,000	\$ 1,685,000	\$ 3,370,000

\* PG&E utility costs not included.

**New NCPA Pumping Station & Diversion Structure**

Item	Estimated	Users Served								
	Construction Cost	Existing	New	Flow	BOD	SS	Flow	BOD	SS	Total
Mobilization and contractor indirect costs @ 12%	\$30,000									
Excavation	\$3,000									
Sheeting & Shoring	\$10,000									
Concrete Structure	\$32,000									
30" FE Pipe	\$15,000									
Pumps	\$30,000									
Valves and Appurtenances	\$10,000									
Startup, testing, training	\$4,000									
Electrical, instrumentation, and controls	\$65,000									
Subtotal (rounded)	\$200,000									
Estimating Contingency @ 20%	\$40,000									
Subtotal	\$240,000									
Engineering and Administration @ 25%	\$60,000									
Construction Contingency @ 10%	\$12,000									
Estimated Construction Cost	\$312,000	\$230,000	\$82,000	100%	0%	0%	\$ 312,000	\$ -	\$ -	\$ 312,000

**Civil Improvements (Levee Construction)**

Item	Estimated	Users Served								
	Construction Cost	Existing	New	Flow	BOD	SS	Flow	BOD	SS	Total
Mobilization and contractor indirect costs @ 12%	\$30,000									
Excavation & Loading (5,000 CY @ \$10/CY)	\$50,000									
Hauling (5,000 CY @ \$3.50/CY)	\$25,000									
Engineered Fill (5,000 CY @ \$1.50/CY)	\$7,500									
Paving	\$20,000									
Piping	\$60,000									
Subtotal (rounded)	\$190,000									
Estimating Contingency @ 20%	\$40,000									
Subtotal	\$230,000									
Engineering and Administration @ 25%	\$60,000									
Construction Contingency @ 10%	\$12,000									
Estimated Construction Cost	\$302,000	\$220,000	\$82,000	33%	33%	33%	\$ 100,667	\$ 100,667	\$ 100,667	\$ 302,000
	\$ 3,984,000	\$ 2,950,000	\$ 1,034,000				\$ 412,667	\$ 1,785,667	\$ 1,785,667	\$ 3,984,000

Estimated Total 2003 Construction Cost \$3,984,000  
 Estimated 2003 Construction Cost Serving Existing Users \$2,950,000  
 Estimated 2003 Construction Cost Serving New Users \$1,034,000  
 % Estimated 2003 Construction Cost Serving Existing Users 74.0% To Table 11  
 % Estimated 2003 Construction Cost Serving New Users 26.0% To Table 12

10.4% 44.8% 44.8% To Table 11

**Phase II 2004 Improvements**  
**Installation of Parkson Panels in 2 Basins**

Item	Estimated	Users Served		Allocation to Functional Categories					
	Construction Cost	Existing	New	Flow	BOD	SS	Flow	BOD	SS
Mobilization @ 5%	\$55,000								
Contractor indirect costs @ 12%	\$130,000								
Demolition of existing diffusers/piping	\$5,000								
Purchase aeration panels & appurtenances	\$270,000								
Aeration piping and panel installation	\$350,000								
Baffle wall and mixers	\$85,000								
Startup, testing, training	\$5,000								
Subtotal (rounded)	\$900,000								
Estimating Contingency @ 20%	\$180,000								
Subtotal	\$1,080,000								
Engineering and Administration @ 25%	\$270,000								
Construction Contingency @ 10%	\$54,000								
Estimated Construction Cost	\$1,404,000	\$1,404,000		0%	50%	50%	\$0	\$702,000	\$702,000

Item	Estimated	Users Served							
	Construction Cost	Existing	New						
Tertiary Filtration Improvements (Estimate from Master Plan)	\$11,910,000	\$8,830,000	\$3,080,000	33%	33%	33%	\$3,970,000	\$3,970,000	\$3,970,000
UV Disinfection Facilities (Based on Estimate from Wedeco)	\$8,500,000	\$6,300,000	\$2,200,000	100%			\$8,500,000	\$0	\$0
	\$21,814,000	\$16,534,000	\$5,280,000				\$12,470,000	\$4,672,000	\$4,672,000
							57.2%	21.4%	21.4%

Estimated Total 2004 Construction Cost \$21,814,000  
 Estimated 2004 Construction Cost Serving Existing Users \$16,534,000 \$0 0  
 Estimated 2004 Construction Cost Serving New Users \$5,280,000  
 % Estimated 2004 Construction Cost Serving Existing Users 75.8% To Table 11  
 % Estimated 2004 Construction Cost Serving New Users 24.2% To Table 11

Phase III 2006 Improvements

Phase III 2006 Improvements		Estimated		Users Served		Allocation to Functional Categories						
Item	Construction Cost	Existing	New	Flow	BOD	SS	Flow	BOD	SS	Total		
Influent Screening	\$650,000	\$480,000	\$170,000	50%		50%	\$ 325,000	\$ -	\$ 325,000	\$ 650,000		
Headworks Improvements	\$260,000	\$190,000	\$70,000	100%			\$ 260,000	\$ -	\$ -	\$ 260,000		
Modify Domestic Pumps	\$210,000	\$160,000	\$50,000	100%			\$ 210,000	\$ -	\$ -	\$ 210,000		
Industrial Pumping Improvements	\$360,000	\$360,000		100%			\$ 360,000	\$ -	\$ -	\$ 360,000		
2 New Aeration Basins	\$4,440,000		\$4,440,000	50%	50%		\$ 2,220,000	\$ 2,220,000	\$ -	\$ 4,440,000		
New Diffusers in Existing Aeration Basins	\$1,080,000	\$1,080,000		50%	50%		\$ 540,000	\$ 540,000	\$ -	\$ 1,080,000		
New Secondary Clarifier	\$2,700,000		\$2,700,000	50%	50%		\$ 1,350,000	\$ 1,350,000	\$ -	\$ 2,700,000		
RAS/WAS Improvements	\$1,360,000	\$1,090,000	\$270,000	50%	50%		\$ 680,000	\$ 680,000	\$ -	\$ 1,360,000		
New Anaerobic Digester	\$1,710,000		\$1,710,000		50%	50%	\$ -	\$ 855,000	\$ 855,000	\$ 1,710,000		
Sludge Lagoon Improvements	\$930,000	\$690,000	\$240,000	50%	50%		\$ 465,000	\$ 465,000	\$ -	\$ 930,000		
Storage Pond Aeration	\$250,000	\$190,000	\$60,000	50%	50%		\$ 125,000	\$ 125,000	\$ -	\$ 250,000		
Control System & Miscellaneous Operational Upgrades	\$460,000	\$340,000	\$120,000	33%	33%	33%	\$ 153,333	\$ 153,333	\$ 153,333	\$ 460,000		
Operation Building Improvements	\$150,000	\$110,000	\$40,000	100%			\$ 150,000	\$ -	\$ -	\$ 150,000		
100 Ac Wetlands	\$3,000,000	\$2,220,000	\$780,000	100%	0%	0%	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000		
Reaeration, Diffuser	\$1,200,000	\$890,000	\$310,000	100%	0%		\$ 1,200,000	\$ -	\$ -	\$ 1,200,000		
Subtotal	\$18,760,000	\$7,800,000	\$10,960,000				\$ 11,038,333	\$ 6,388,333	\$ 1,333,333	\$ 18,760,000		
							59%	34%	7%	100%		
Contingencies @ 20%	\$3,752,000	\$1,560,000	\$2,192,000				\$ 1,289,767	\$ 746,441	\$ 155,792	\$ 2,192,000		
	\$22,512,000	\$9,360,000	\$13,152,000				\$ 12,328,100	\$ 7,134,774	\$ 1,489,126	\$ 20,952,000		
							59%	34%	7%	To Table 11		

Estimated Total 2005-6 Construction Cost \$22,512,000  
 Est. 2005-6 Construction Cost Serving Existing Users \$9,360,000  
 Est. 2005-6 Construction Cost Serving New Users \$13,152,000  
 % Est. 2005-6 Construction Cost Serving Exist. Users 41.6%  
 % Est. 2005-6 Construction Cost Serving New Users 58.4%

### **13.12.020 Definitions.**

5. "Capacity" or "Impact fee" means a charge as described in this chapter, levied on construction, or on new, expanded or ongoing activity, which uses POTW capacity and other wastewater facilities associated with growth. The fee is normally paid at the time of issuance of a building permit.

45. "Sewage service unit or SSU" is defined as each increment of flow equal to the flow from an average two-bedroom residence (~~two hundred and six~~ one hundred and ninety-four gallons per day) and having a strength less than three hundred milligrams per liter BOD and SS.

### **13.12.180 Domestic system service charges.**

A. Basis. Charges for use of the domestic system shall be determined by the volume, biochemical oxygen demand (BOD) and suspended solids (SS) of wastes discharged. In addition, charges for preparation and maintaining the Sewer Master Plan, expansion of the Public Works Administration Building and expansion of the Public Works Storage Facilities are allocated based upon volume, BOD and SS.

### **13.12.190 Domestic system capacity or impact fees.**

The capacity fee shall cover the capital cost associated with the POTW capacity ~~which will be utilized by the discharger~~ and the planning, financing, acquisition and development of other services and facilities directly related to the utilization of capacity by the discharger. Any actual costs incurred by the city in making the physical connection (tap) shall be separate and in addition to the capacity fee described in this section.

D. The capacity fee shall be paid at the time a building permit is issued and cannot be prepaid.

#### **15.64.010 Findings and purpose.**

F. The specific improvements and costs for wastewater capacity impact fees are described in the City of Lodi Wastewater Capacity Fees Analysis prepared for the City by Hilton, Farnkopf & Hobson, LLC, dated August 15, 2005, and the Development Impact Fee Update Study prepared for the City by Harris & Associates, dated October 2001, copies of which are on file with the City Clerk. The calculation of the fee is presented in Title 13, Chapter 13.12 of the Lodi Municipal Code.

G. New development will generate new demand for facilities which must be accommodated by construction of new or expanded facilities. The amount of demand generated and, therefore, the benefit gained, varies according to kind of use. Therefore, a "residential acre equivalent" (RAE) factor was developed to convert the service demand for general plan based land use categories into a ratio of the particular use's rate to the rate associated with a low-density, single-family dwelling gross acre. The council finds that the fee per unit of development is directly proportional to the RAE associated with each particular use.

H. The city has previously approved various development projects which have made significant financial expenditures towards completion, including the payment of the then current development impact mitigation fees; but have not obtained a building permit. The city council finds and declares that such projects should be allowed to proceed without the imposition of new development impact mitigation fees imposed under this chapter. (Ord. 1547 § 1, 1992; 1526 § 1, 1991; Ord. 1518 § 1 (part), 1991)

#### **15.64.030 Development impact funds.**

A. The city finance director shall create in the city treasury the following special interest-bearing trust funds into which all amounts collected under this chapter shall be deposited:

1. Water facilities;
2. Sewer facilities:
  - ~~a. General sewer facilities,~~
  - ~~b. Kettleman Lane lift station,~~
  - ~~c. Harney Lane lift station,~~
  - ~~d. Cluff Avenue lift station,~~
3. Storm drainage facilities;
4. Street improvements;
5. Police facilities;
6. Fire facilities;
7. Parks and recreation facilities;
8. General city facilities and program administration.

#### **15.64.060 Calculation of fees.**

C. Sewer fees shall be calculated and collected per LMC 13.12.

#### **15.64.070 Residential acre equivalent factor.**

B. The residential acre equivalent (RAE) factors are as set out in the following table.

Land Use Categories	Water RAE	<del>Sewer RAE</del>	Storm Drainage RAE	Streets RAE	Police RAE	Fire RAE	Parks & Recreation RAE	General Facilities RAE
<b>RESIDENTIAL</b>								
Low Density	1.00	<del>1.00</del>	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	<del>1.96</del>	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	<del>3.49</del>	1.00	3.05	4.72	4.32	2.80	2.80
East Side Residential	1.00	<del>1.00</del>	1.00	1.00	1.09	1.10	1.10	1.10
<b>PLANNED RESIDENTIAL</b>								
Low Density	1.00	<del>1.00</del>	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	<del>1.96</del>	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	<del>3.49</del>	1.00	3.05	4.72	4.32	2.80	2.80
<b>COMMERCIAL</b>								
Retail Commercial	0.64	<del>0.94</del>	1.33	2.08	4.12	2.69	0.32	0.89
Office Commercial	0.64	<del>0.94</del>	1.33	3.27	3.72	2.46	0.54	1.53
<b>INDUSTRIAL</b>								
Light Industrial	0.26	<del>0.42</del>	1.33	2.00	0.30	0.64	0.23	0.64
Heavy Industrial	0.26	<del>0.42</del>	1.33	1.27	0.19	0.61	0.33	0.93

(Ord. 1547 § 3, 1992; Ord. 1518 § 1 (part), 1991)

PROOF OF PUBLICATION

(2015-5 C.C.C.P.)

STATE OF CALIFORNIA

County of San Joaquin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Lodi News-Sentinel, a newspaper of general circulation, printed and published daily except Sundays and holidays, in the City of Lodi, California, County of San Joaquin and which newspaper had been adjudicated a newspaper of general circulation by the Superior Court, Department 3, of the County of San Joaquin, State of California, under the date of May 26th, 1953. Case Number 65990; that the notice of which the annexed is a printed copy (set in type not smaller than non-pareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereto on the following dates to-wit:

December 3rd,

all in the year 2005.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Lodi, California, this 3rd day of December, 2005

*Diane Rooder*

Signature

This space is for the County Clerk's Filing Stamp

Proof of Publication of  
Special Notice of Public Hearing for January 4, 2006,  
Review the Proposed Wastewater Capacity Fee,  
Provide Direction to Consider Adoption of the Fee

08502466  
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, January 4, 2006 at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) Adoption of Wastewater Capacity Fees

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the close of the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:  
Susan J. Blackston  
City Clerk

Dated: November 22, 2005

Approved as to form:

D. Stephen Schwabauer  
City Attorney  
December 3, 2005 - 08502466

8502466



**CITY OF LODI**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**NOTICE OF PUBLIC HEARING**

Date: January 4, 2006

Time: 7:00 p.m.

For information regarding this notice please contact:

**Susan J. Blackston**  
City Clerk  
Telephone: (209) 333-6702

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that on **Wednesday, January 4, 2006** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

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Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the close of the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

A handwritten signature in cursive script, appearing to read "Susan J. Blackston".

Susan J. Blackston  
City Clerk

Dated: November 22, 2005

Approved as to form:

A handwritten signature in cursive script, appearing to read "D. Stephen Schwabauer".

D. Stephen Schwabauer  
City Attorney





***Please immediately confirm receipt  
of this fax by calling 333-6702***

CITY OF LODI  
P. O. BOX 3006  
LODI, CALIFORNIA 95241-1910

**ADVERTISING INSTRUCTIONS**

**SUBJECT:** SPECIAL NOTICE OF PUBLIC HEARING FOR JANUARY 4, 2006, REVIEW  
THE PROPOSED WASTEWATER CAPACITY FEE, PROVIDE DIRECTION TO CONSIDER  
ADOPTION OF THE FEE.

**LEGAL AD**

**PUBLISH DATE:** DECEMBER 3, 2005

**TEAR SHEETS WANTED:** Three (3) please

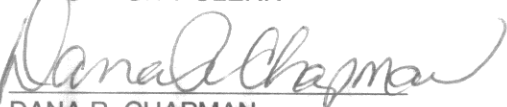
**SEND AFFIDAVIT AND BILL TO:** SUSAN BLACKSTON, CITY CLERK  
City of Lodi  
P.O. Box 3006  
Lodi, CA 95241-1910

**DATED:** TUESDAY NOVEMBER 29, 2005

**ORDERED BY:** SUSAN J. BLACKSTON  
CITY CLERK

JENNIFER M. PERRIN, CMC  
DEPUTY CITY CLERK

JACQUELINE L. TAYLOR, CMC  
DEPUTY CITY CLERK

  
DANA R. CHAPMAN  
ADMINISTRATIVE CLERK

**Verify Appearance of this Legal in the Newspaper – Copy to File**

LNS Faxed to the Sentinel at 369-1084 at 12:45 PM (time) on 11/29/05 (date) 2 (pages)  
DIANE R. Phoned to confirm receipt of all pages at 12:30 (time) JLT ✓ DRC JMP (initials)



## **DECLARATION OF MAILING**

### **PUBLIC HEARING FOR JANUARY 4, 2006, REVIEW THE PROPOSED WASTEWATER CAPACITY FEE, PROVIDE DIRECTION TO CONSIDER ADOPTION OF THE FEE**

On November 29, 2005, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, to review the proposed wastewater capacity fee, provide direction to consider adoption of the fee.

There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 29, 2005, at Lodi, California.

ORDERED BY:

**SUSAN BLACKSTON  
CITY CLERK, CITY OF LODI**

ORDERED BY:

\_\_\_\_\_  
JENNIFER M. PERRIN, CMC  
DEPUTY CITY CLERK

A handwritten signature in cursive script, reading "Dana R. Chapman", is written over a horizontal line.

DANA R. CHAPMAN  
ADMINISTRATIVE CLERK

\_\_\_\_\_  
JACQUELINE L. TAYLOR, CMC  
DEPUTY CITY CLERK



## **DECLARATION OF POSTING**

### **PUBLIC HEARING FOR JANUARY 4, 2006, REVIEW THE PROPOSED WASTEWATER CAPACITY FEE, PROVIDE DIRECTION TO CONSIDER ADOPTION OF THE FEE**

On Friday, December 2, 2005, in the City of Lodi, San Joaquin County, California, a notice of public hearing to review the proposed wastewater capacity fee, provide direction to consider adoption of the fee was posted at;

Lodi Public Library  
Lodi City Clerk's Office  
Lodi City Hall Lobby  
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 2, 2005, at Lodi, California.

ORDERED BY:

**SUSAN J. BLACKSTON**  
**CITY CLERK**

\_\_\_\_\_  
JENNIFER M. PERRIN, CMC  
DEPUTY CITY CLERK

\_\_\_\_\_  
JACQUELINE L. TAYLOR, CMC  
DEPUTY CITY CLERK

  
\_\_\_\_\_  
DANA R. CHAPMAN  
ADMINISTRATIVE CLERK

CITY COUNCIL

JOHN BECKMAN, Mayor  
SUSAN HITCHCOCK  
Mayor Pro Tempore  
LARRY D. HANSEN  
BOB JOHNSON  
JOANNE L. MOUNCE

CITY OF LODI  
PUBLIC WORKS DEPARTMENT

CITY HALL, 221 WEST PINE STREET  
P.O. BOX 3006  
LODI, CALIFORNIA 95241-1910  
(209) 333-6706  
FAX (209) 333-6710  
EMAIL [pwdept@lodi.gov](mailto:pwdept@lodi.gov)  
<http://www.lodi.gov>

BLAIR KING  
City Manager  
SUSAN J. BLACKSTON  
City Clerk  
D. STEVEN SCHWABAUER  
City Attorney  
RICHARD C. PRIMA, JR.  
Public Works Director

November 17, 2005

Interested Parties *Mailing List Attached*

SUBJECT: Review Proposed Wastewater Capacity Fee, Provide Direction, and Set  
Public Hearing for January 4, 2006, to Consider Adoption of the Fee

The above item was scheduled to be an item on the City Council agenda on  
November 16, 2005, and background information was sent to you at that time.  
However, this item was held over and will now be on the agenda of a City Council  
Special Meeting. The Special Meeting will be held on Tuesday, November 22, at 7 a.m.  
in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

You are welcome to attend.

If you wish to write to the City Council, please address your letter to City Council,  
City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the  
mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Special Meeting, be sure to fill out a speaker's  
card (available at the Carnegie Forum immediately prior to the start of the meeting) and  
give it to the City Clerk. If you have any questions about communicating with the  
Council, please contact Susan Blackston, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Wally Sandelin,  
City Engineer, at (209) 333-6709.

*R. Prima*

for: Richard C. Prima, Jr.  
Public Works Director

RCP/pmf

cc: City Clerk

EDWARD BARKETT  
ATLAS PROPERTIES INC  
2800 W MARCH LN STE 250  
STOCKTON CA 95219-8218

DELMAR BATCH  
11174 N DAVIS RD  
LODI CA 95242

DENNIS BENNETT & STEVE MOORE  
BENNETT DEVELOPMENT  
777 S HAM LN  
LODI CA 95242  
|||

VIC DEMAYO  
BROWMAN DEVELOPMENT  
100 SWAN WY STE 206  
OAKLAND CA 94621  
|||

STEVE SINNOCK  
KJELDSSEN SINNOCK & NEUDECK  
PO BOX 844  
STOCKTON CA 95201-0844

CECIL DILLON  
DILLON & MURPHY ENGINEERING  
PO BOX 2180  
LODI CA 95241-2180

JOHN FARROS  
GEWEKE PROPERTIES  
PO BOX 1210  
LODI CA 95241

A standard linear barcode consisting of vertical black bars of varying widths on a white background.

LOWELL FLEMMER  
KATZAKIAN WILLIAMS SHERMAN  
777 S HAM LN STE A  
LODI CA 95242

WAYNE CRAIG  
SANDHILL DEVELOPMENT  
2424 COCHRAN RD STE 1  
LODI CA 95242

MARK CHANDLER EXEC DIR  
LODI WOODBRIDGE GRAPE COMM  
2575 W TURNER RD  
LODI CA 95242

STEVE ROBERTS  
HARRIS & ASSOCIATES  
35 E 10TH ST STE A  
TRACY CA 95376

JEFFREY KIRST  
TOKAY DEVELOPMENT INC  
PO BOX 1259  
WOODBIDGE CA 95258


MAMIE STARR  
LUSD  
1305 E VINE ST  
LODI CA 95240

STEVE PECHIN  
BAUMBACH & PIAZZA INC  
323 W ELM ST  
LODI CA 95240

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DARRELL SASAKI  
DRS REAL ESTATE APPRAISALS  
1806 W KETTLEMAN LN STE 1  
LODI CA 95242

RON THOMAS  
R THOMAS DEVELOPMENT INC  
PO BOX 1598  
LODI CA 95241-1598

**LEX CORALES  
SIEGFRIED & ASSOCIATES**  
4045 CORONADO AVE  
STOCKTON CA 95204  


WENTLAND SNIDER MCINTOSH  
301 S HAM LN STE A  
LODI CA 95242

LWM SOUTHWEST INC  
PO BOX 414  
PACIFIC PALISADES CA 90272

TOM DOUCETTE/JIM JIMISON  
FRONTIERS  
3247 W MARCH LN STE 222  
STOCKTON CA 95219

RUSS MUNSON  
WINE & ROSES  
2505 W TURNER RD  
LODI CA 95242  
|||

TOM DAVIS  
LEE & ASSOCIATES  
241 FRANK WEST CIR STE 300  
STOCKTON CA 95206


KEVIN SHARRAR  
BIA OF THE DELTA  
509 W WEBER AVE STE 410  
STOCKTON CA 95203-3167

MICHAEL E LOCKE CEO  
SAN JOAQUIN PARTNERSHIP  
2800 W MARCH LN STE 470  
STOCKTON CA 95219

RICK CHURCHILL  
PROFESSIONAL CONSTRUCTORS  
5635 STRATFORD CIR STE C45  
STOCKTON CA 95207

ED CORNEJO  
KB HOME NORTH BAY INC  
2420 DEL PASO RD  
SACRAMENTO CA 95834

PAT PATRICK  
LODI CHAMBER OF COMMERCE  
35 S SCHOOL ST  
LODI CA 95240

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DR CHRIS KESZLER  
816 W LODI AVE  
LODI CA 95240

THOMAS SMITH  
FOX CREEK DEVELOPMENT INC  
1171 QUARTZ DR  
AUBURN CA 95602

RICHARD HANSON  
CLUFF LLC  
908 W TURNER RD  
LODI CA 95242

JOHN COSTAMAGNA  
PO BOX 131  
WOODBIDGE CA 95258

KRISTMONT WEST INC  
7700 COLLEGE TOWN DR STE 111  
SACRAMENTO CA 95826

ANTONIO CONTI  
CONTI & ASSOCIATES INC  
PO BOX 1396  
WOODBIDGE CA 95258

DAVID DUGGINS  
CERTAINTED CORP  
300 S BECKMAN RD  
LODI CA 95240

TERRY KNUTSON  
COTTAGE BAKERY  
40 NEUHARTH DR  
LODI CA 95240

WADE BROUGHTON  
GENERAL MILLS OPERATIONS  
2000 W TURNER RD  
LODI CA 95242

MARCIANO DEL CASTILLO  
LA COMPANA  
2346 MAGGIO CIR  
LODI CA 95240

REGGIE MASON  
LODI CHROME  
316 N MAIN ST  
LODI CA 95240

CHRIS COLBERT  
LUSTRE CAL NAMEPLATE CORP  
715 S GUILD AVE  
LODI CA 95240

VICTOR LEWKOWITZ  
MILLER PACKING  
1122 INDUSTRIAL WY  
LODI CA 95240

DENNY GOMES  
RE SERVICE CO  
500 S BECKMAN RD  
LODI CA 95240